THE

FIFTY-CENT DOLLAR.

A brief history of the financial *agitation*, *legislation* and *condition* of the United States, from 1890 to 1895; followed by a catechism—questions and answers—in support of what precedes.

—BY—

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INTRODUCTION.

In 1873 silver was demonetized in the United States; that is, silver was denied the right to be coined into money at the mints. Some say this legislation was procured surreptitiously and criminally. However this may be, it is at least certain that the real character of the legislation was unknown to a majority of those responsible for it, including the President himself, General Grant, who approved the act. Neither gold nor silver was then in circulation—paper currency being the almost exclusive circulating medium—and it was sometime before the legislation in question attracted public attention and concern. The financial question in this country had previously been; not how to *reduce* our money supply, but rather how sufficiently and legitimately to increase it, in order to keep pace with our rapid development and growing commerce. It was far from the minds of the masses to imagine that silver would be demonetized, and it was correspondingly difficult afterwards for them to believe that it had been done.

For a long while the act had but few apologists or defenders. But, despite the terrible panic which followed, and the protests of the people, through political platforms and otherwise, the first legislation in the direction of the restoration of silver was only a compromise with those influences which had secured its demonetization. It was partially restored in 1878, by what was known as the Bland Act. With this, and the confidence of the people that eventually silver would occupy its former place, prosperity returned, and, without substantial interruption, continued until 1890, when the familiar law known as the Sherman Act was passed. This legislation, though still a compromise with the contractionists, was understood by most people to be an additional recognition to silver. There soon followed, however, a phenomenal and unprecedented political condition.

Close upon the passage of the Sherman Act a majority of the leading newspapers and periodicals of the country, as one great army under the drill and leadership of a general knowing nothing but to command and exact servile obedience, fell into line, and, with clamor almost deafening, marched with solid phalanx in a common war upon silver.

We then heard for the first time in this country that there was no such thing as bi-metallism; that our financial system could no longer stand upon a foundation of both silver and gold, but could only rest upon gold, however narrow that foundation. We were taught the new doctrine that the measure of a dollar's value was not what it would purchase when coined, but what it was worth before becoming money; that money was in no sense the creature of government, but something possessing inherent, intrinsic worth; that it was not the *representative* of real value in other things which sustain life and bring comfort and luxury, but possessed value in itself, wholly independent of government; and that this value inhered only in gold. A new construction was forced upon that clause of the constitution which provides that congress shall have power to coin money from gold and silver, and the power to coin it from silver was denied. Those who sincerely believed that silver was as fit a metal as gold for purposes of money (and infinitely more so for the numberless small transactions of daily life) asserted their convictions at the expense of an assault upon their integrity. They were denounced as being repudiators, and dishonest. It was held to

be *plebeian* to advocate anything but a gold standard. This of course tended to hold in line all aristocrats, and gained numberless recruits from among those who had not been so classed before, but who aspired to be. It was a *golden* opportunity not wasted.

Common people were taught that the money question was beyond their ken in every particular, that it was an abstruse and exact *science*—something never before taught by human experience, history or the schools. Aristotle had said, more than 2000 years before, that "money exists not by nature, but by *law*," and this had not been seriously controverted during the intervening centuries, until dawn of the period mentioned.

The slogan of this modern invasion was "a sound currency and an honest dollar," and eternal war upon the "cheap dollar." As no honest man could favor a dishonest dollar, and no patriot or just man could advocate anything short of a sound currency, this war cry seemed to embody the very soul of patriotism. It captured all that class who leave others to do their thinking, and millions who had previously entertained well defined views on the money question abandoned it wholly to others.

The conflict, though severe, proved an unequal one, and the majority went down before the organized, equipped and disciplined minority. Strong men succumbed to the inevitable, while weaker ones and time-servers deserted to the enemy's ranks. As the smoke of battle cleared away, victory was seen perching upon the banner of monometallism in America. We are today beholding and reaping its benign fruits! Monarchies, under like influences, had seen similar triumphs, but few had believed that such fate awaited the New World.

Is the temporary victory just described to remain our portion? The renewed conflict, in which the defeated are now the aggressors, will determine that question.

The four chapters comprising this volume were written for newspaper publication, in which form they originally appeared. With a few changes they are now reproduced, each chapter bearing the date of the time at which it was written. The reader is left to determine their soundness or unsoundness as practical thoughts on a circulating medium and a financial policy. To the mind of the author they portray the various stages and final results of the recent financial struggle in this

country. And they are now offered to the public with the conviction in the author's mind that the question discussed is fraught with consequences equal in gravity to the *first* struggle of this country for independence.

N. W. C.

CHAPTER I.

THE MEANING OF DEAR MONEY.

September, 1892.

The readiness with which the American people are now misled and deceived by every argument against and assault upon the cheap dollar, so-called, is fraught with infinite possibilities for harm. However far beyond the reach of the masses may be a sufficiency of high priced dollars, (again using a term which is misleading), yet millions of them are now joining loyally and lustily in the clamor against the "cheap dollar." It is a term of derision in which people indulge without stopping to reflect that there is no such thing as a cheap dollar or high priced dollar, but that these are only relative terms which mean that those things for which a dollar is exchanged are either high priced or low priced. A dollar is an absolute thing—so much silver or gold, circulating as a medium of exchange by decree of government; the yard stick, so to speak, by which the value of other things is

determined. Without government we could have no such thing as a dollar.

A cheap dollar simply means a high price for that which is exchanged for it. The laborer who gets a dollar for a day's work pays twice as much for that dollar as he would have paid had he gotten two dollars for the same day's labor. In other words, he gets a high priced dollar when he gets only one instead of two for a day's work. It is right difficult to perceive, therefore, why the laborer should join in the crusade against the alleged cheap dollar, when to him it simply means more money for his day's work.

When a farmer sells a given quantity of produce for a dollar, he receives a higher priced dollar for his product than if he had gotten two dollars for it; but that dollar will go no further toward liquidating a mortgage which might hang over his farm—a mortgage created perhaps when money was cheaper, or rather when *property* was higher.

If $10,000 will buy a given piece of property, the dollars come twice as high, or, what is equivalent, the property goes twice as cheap as would have been the case had it required $20,000 to purchase the same property. And should the property

owner owe $10,000, he would of course be cleaned up on selling for that sum, while by selling for $20,000 there would be a surplus in pocket of $10,000. It would be needless to try and persuade him that he was worse off for having these ten thousand "cheap dollars."

The merchant who has marked down the price of his goods, because dollars are unusually high and hard to reach, and stands idly behind his counter trembling before the spectre of impending bankruptcy, might be better off if dollars were a little cheaper and more readily exchangeable for his goods. And might not the manufacturer, who has found that the higher priced the dollar, the less inclined it is to seek his wares, find it profitable to check the increasing value of a dollar?

It is needless to proceed further on this line, to show that every class whose stock in trade is something else than money, as labor and skill, products of the field or mine, merchandise, manufactures, or real estate, is interested in a dollar that does not and will not increase in purchasing power. And what is true of each class taken seperately is of course true of the whole. Manifestly, therefore, only those are interested in a high-priced dollar

whose possessions consist wholly or largely in dollars, or their equivalent, promises from others to pay dollars. It is, after all, simply a question of what one's earthly possessions consist in; and of the two general classes into which the whole people are divided on this question (not in sentiment necessarily, but in fact) it is unnecessary to say which constitutes the overwhelming majority.

The money lender, constituting one in a hundred, perhaps, of the whole number, is clearly and justly entitled, from the standpoint of self interest, to contend for the high-priced dollar; but his interests, in the very nature of things, are opposed to those of the remaining ninety-nine. Henry Clews, an opulent banker of New York City, insults the intelligence of the American people, therefore, whenever he essays to instruct them as to *their* interests on finance—unless perchance he should advise them against his own interests.

The wealth of the country is estimated, according to the census of 1890, to be about $1000 to every individual. The circulating medium per capita, according to the highest estimates, is about $25; that is, the ratio between money and all forms of property, according to these figures, is one to forty.

When, therefore, the purchasing power of a dollar increases one per cent. or in any other ratio, property suffers a corresponding loss forty times as great. This, perhaps, would be of no consequence if there were no creditor and debtor classes, and the circulating medium were distributed with all forms of property, in uniform proportions of one to forty. But such is not, and of necessity cannot be, the condition. This being true, it is nothing short of a crime for a government, after its people have adjusted themselves to a circulating medium, to legislate so as to contract the currency, or to lend encouragement to those who are powerful enough and selfish enough to bring about the same result. The first crime in that direction was committed in this country in 1873, when silver was quietly denied free coinage. The financial condition of the country today is a demonstration of the fact that the first restriction upon silver was a financial failure, and that no expedient since (including the Sherman Bill) has been equal to remedying the evil.

Inflation of the currency no sane and honest man would advocate; but it is equally true that an undue estimate of the dollar drives it from trade and produces commercial paralysis.

Free coinage of silver is as much needed to keep the existing supply of currency *moving* as it is to replenish that supply. Millions of dollars are now lying idle in the metropolitan banks of the country, while industries and trade throughout the land are languishing and suffering. The intelligence of the country is constantly insulted with the statement that so many millions of dollars are now lying idle in the banks of New York city and can be *borrowed* at low rates of interest; from which the argument is drawn that money is now cheap. Nine hundred and ninety-nine out of a thousand of the people are not in condition to borrow that money; but they have other things of value which they are powerless to exchange for it, and which it would be possible to do but for the fact that the money is *not* cheap.

It is poor comfort to a man, starving for a drink of water, to tell him that there is a cast iron, steel-bound tank near by, containing a million gallons, but which he is powerless either to reach or to open. There is no scarcity of water, but as to him it is beyond all price.

The value of money is no more determined by what it will *loan* for, than the value of a horse or a

pocket knife may be determined in the same way. A dollar's value is ascertained by what it will *purchase.*

But would free coinage remedy the evil? It would, if we accept as true the cry of the goldites, that free coinage wonld create cheaper dollars; and that proposition every one is ready to admit, with a proper qualification upon the term; that is, that a cheaper dollar means a higher price for what it buys. Dollars that have no capacity to increase in value hunt investment and development, and create activity. High priced dollars, finding nothing so inviting as to remain intact, or to be loaned for more dollars, shun investment and enterprise. It is very true that when a man has need to borrow, it is to his advantage to do so at low rate of interest; but the fact that millions of dollars are lying idle for purposes of lending, and not for investment, is no evidence of prosperity, and is only an advantage to the few who are in reach of that money.

President Harrison, to mislead the masses—whether deliberately or unwittingly—said, on being notified of his recent renomination, that the first mission on which a "cheap dollar" would start out

would be to pay some poor laborer for his day's work! He should have known, perhaps did know, that high-priced dollars are not the kind that are in search of a laborer's toil, but are rather withdrawn from everything that employs and renumerates labor. If this is not true how does it happen, as an historical fact, that in every age and in every land, we find idleness and want just in proportion as labor is cheap and the money received for it high-priced. Go to those countries where one dollar will buy a week's labor, and you find idleness, squalor and misery in corresponding ratio to the high price at which that dollar has sold.

Much prejudice is felt toward the so-called cheap dollar because people are taught to think of it as they do a cheap hat, or an indifferent article of food. They forget that the value of a dollar is not intrinsic, but extrinsic and artificial. It cannot serve the purpose of food, raiment or shelter; but the greater the facility with which these needful things will exchange for it, the better.

Another fruitful source of delusion on this question is the sad memory of Confederate money, so-called. In the first place it was not money, but a remote promise to become money, made by an

arbitrary government not established as such before the world, but fighting for existence. The use of it as money was little more than gambling in futures, and as a circulating medium it was simply multiplied in direct proportion to its uncertainty.

A government's money is just as stable as that government—no more, no less. And an assault upon any form of our money is an assault upon the government itself. We had tories during the Revolution who truckled to England, and were a menace to this country; and the present war upon silver in the United States had its origin in the same spirit, and means the same enmity.

Something more than a century ago the United States (not then in existence as such) made a venture—the most hazardous on the one hand, and the most successful on the other—known to the world's history. It declared for a republic, wholly in repudiation of, and dissimilar to the monarchies and aristocracies of Europe. Afterwards we went even so far as to hold that it would be an affront to the United States for Europe to attempt to engraft her peculiar policies of government upon any of the countries of America, and by this—the Monroe doctrine—we have proudly stood for three-quarters

of a century. European governments were then, and are now, founded upon the doctrine that the rights of the classes—the few—are superior to those of the masses, and of this general doctrine their financial legislation and policy have always partaken. As a result the great mass of European wealth is in the hands of a comparative few—a condition which has never been, and will never be, the result wholly of natural laws unaided by artificial or human laws. What England did, therefore, pursuant to her peculiar policy, to debase silver, and what she forced other European countries to do in the same direction, by reason of her relations to and dominance over them, was hardly a token that we should follow suit.

If a silver dollar is now worth a gold dollar (and every one knows it is, since they pass current alike, in and out of bank) while the silver bullion entering into the dollar sells for less than a dollar, how can it possibly be that increasing the value of silver bullion, by making its coinage free, would reduce the relative value of a silver dollar? If so, we have this statement in the rule of three: Sixty-nine cents worth of silver is to a *good* dollar, as 100 cents is to a *bad* dollar! The truth of the

whole matter is simply this: Free coinage of silver would cheapen the silver dollar and gold dollar alike.

Another device to deceive the people is in constantly speaking of gold as the more precious metal of the two. This is undeniably true in the fact that it exists, or is supposed to exist, in smaller quantities. But much smaller quantity is used to make a dollar. Is a gold *dollar* more precious than a silver dollar? Gold dollars are so little seen or heard of in ordinary commercial transactions, that the average person hardly knows their capacity from actual experience. But why talk of the sixty-nine cent silver dollar if a gold dollar cannot secure it for less than 100 cents?

Uninfluenced by legislation the price of bullion, whether gold or silver, would be governed like any other commodity, by the *natural* law of supply and demand. But when an *artificial* demand is created by legislation, for one and not for the other, there is no operation of this natural law. Abandon the use of gold and silver as money, and their intrinsic value for other purposes would soon be determined, under this law of supply and demand. Such value will never be determined, however, so

long as they are used for purposes of money. There is no such thing as the intrinsic value of a *dollar*. The instrinsic value of a bushel of wheat, or a coat, lies in its use—in its consumption. To make a dollar available we must *part* with it.

All legislation with reference to a commodity out of which mony is made affects the price of that commodity—favorably or unfavorably—just as the legislation is favorable or unfavorable. If the people would keep these simple truths in mind, it would be impossible to mislead them by decrying silver on account of its alleged *market* price—a *market price* controlled by legislation!

It has been stated that our money, whether gold or silver, is as stable and good as the government that created it. But the advocate of a gold standard replies: "Suppose our government should fail?" The tories feared the same thing in 1776, when this country set out to establish a government; hence the loyalty of the tory to England and her behests.

Should our government pass away, whatever gold we may possess would, as bullion, be probably worth more than our silver, by reason of the special legislative favors gold has secured abroad.

But it will not *then* be distributed among the people. It will be just where it is now—either in the hands or control of the few whose selfish designs are now being carried out in the present demand for a contracted currency.

Are we now prepared, allowing that such time might come, to place the great superstructure of our commerce, manufactures and yet undeveloped resources, upon gold as the only basis of financial credit; or shall we let silver share the weight? That is the issue, however much it may be obscured. We know that the cry of hard times is abroad in the land, while there is no scarcity of the wherewithal to be fed and clothed. If vicious financial legislation, (heretofore enacted and yet promised for the future) be not the cause of the trouble, then the government is powerless to do for its people what governments are established for, and we had better return to a primitive state. Governments were never designed to create *want* in the midst of *plenty*.

CHAPTER II.

UNCONDITIONAL REPEAL OF THE SHERMAN LAW.

JULY, 1893.

Despite the fact that there are already thousands in every community who are suffering from a contracted, or rather an inactive currency, there are few who, now, are not ready to throw up their hats and proclaim aloud for a yet higher-priced dollar. To my mind it seems that we have to no purpose seen factories shut down, corporations and firms retire from the field of activity into the shades of hopeless bankruptcy, individuals ruined, and idleness mulitiplied to a degree never before seen in this land; because, as I contemplated the situation, this havoc is due to the relentless war upon silver, begun in 1890, which has by this time almost whipped all opposition into submission.

The same influence (call it Wall street, Lombard street, the money power, or what not) that brought about the demonetization of silver in 1873—at which time the struggle on this question really

began—is now getting in its finishing work in an organized effort to convince the people that in the total annihilation of silver as money, lies their salvation. And the success with which this argument is made lies in the fact that coincident with the present financial crisis is the existence and operation of the Sherman act. Great care is taken, however, not to tell the people that the Sherman act is a very different thing from the free coinage of silver. In other words, it is argued that we now substantially have free coinage of silver, and therefore relief will come only in the absolute demonetization of silver.

The stamping, by government authority, of a given amount of metal as a dollar is one thing; and the goverment's becoming a mercantile establishment for dealing in that metal—and that, too, after first limiting the demand for it—is an entirely different thing. Therefore, the only consistent and logical demand, along with that for the repeal of the Sherman act (which is now a universally admitted evil) is the further demand that it be substituted with the free coinage of silver.

The Honorable Henry Hucks Gibbs, once governor of the Bank of England, and now President

of the Bi-metallic League of Great Britain, in a recent exhaustive argument in the Forum, for the free coinage of silver in England as well as America, said substantially that he had sought in vain for evidence that money of a yellow metal possessed more virtue as such than money of a white metal. I am willing to be charged with the some ignorance as that confessed by the Honorable Mr. Gibbs. Just here it might be remarked as a fact of history, that the demonetization of silver in England, occurring three-quarters of a century ago, is today and has ever been, an endless source of agitation and irritation in that country, and many of her ablest statesmen and patriots are now struggling to restore silver there to free coinage. But history teaches us further that England demonetized silver because she had become the greatest creditor nation on earth. The world was in debt to her, hence it may have been to her selfish interest, or at least to the interest of her creditor classes, to demonetize silver and thus multiply the purchasing power of that indebtedness. America enjoys no such distinction. We are a nation of debtors, and far from fully developed. So our reason for totally demonetizing silver—if

that is to be our fate—must be a different one from that which controlled England.

That England struck a recent blow at silver in her Indian provinces, may be ascribed to very much the same cause that brought about demonetization at home. India is largely indebted to the wealthy classes of England, and the former having now become tempting fruit, is being plucked.

The time was, and not so long ago, when a helpless debtor could be imprisoned at the will of his creditor. Advancing civilization and Christianity revolted at this, and imprisoment for debt became a thing of the past. But the humane policy of the law toward the debtor did not stop here. The debtor when exhausted of his resources down to the scant necessaries of life, was permitted to retain them against the execution of a creditor, even if that creditor were the state itself. This order of things seems now to be suspended. Only those are loyal now who, at the behests of the contractionists, talk lustily in the interest of the preferred classes, and cry aloud for "a sound currency and an honest dollar;" forgetting that the most *dishonest*, *cruel* and *oppressive* of all things is the dollar which costs the

debtor a greater sacrifice of property or labor, at any given time, than it would have cost when borrowed on promise to pay in future.

If any proposition is capable of demonstration, the power of this government—independent of all others—to control its decrees in reference to the money provided for its people, is demonstrated in the fact that the silver dollar is worth a gold dollar for all purposes, while the silver comprising the dollar can be bought for 60 cents. But wise men tell us that this is due to the grovernment *promise* and the redeemability of silver in gold. The answer to this ever repeated statement is, that it is utterly false. The government makes no promise when it coins a given amount of silver and stamps it as a dollar. Nor is a silver dollar, by virtue of law, redeemable in a gold dollar. A silver *certificate* which is a government note for silver bullion, is redeemable in coin—gold or silver at the option or convenience of the government; but a silver dollar is redeemable in nothing. It stands upon its own merits, or the merits of the government, or both, as one may choose to view it. The truth is, the silver dollar stands today 60 cents on so-called intrinsic value, and 40 cents on the fiat of the gov-

ernment; and according to the decisions of the Supreme Court of the United States it could stand zero as to intrinsic value and a hundred cents on the fiat of the government, and still be as good as the gold dollar. Does this mean that we should have fiat money and be done with it? The free coinage of silver no more means fiat money than does the free coinage of gold. Every intelligent person with honesty will admit that gold would suffer in price should the nations of the earth discard it wholly or partially as money. The fact that the producer of silver will, under a restricted demand for his product, take 60 cents for what coins into a dollar, no more proves that sum to be a liberal return for the labor and capital expended, than 6 cents a pound for cotton proves that the labor producing it has been well rewarded at that price. Under unfavorable conditions labor will accept one dollar for its service, where, were the conditions more favorable, it might get two. No interest is paid on labor, and it accepts what it can get.

Until the recent movement against silver in India, we heard constantly that the low price of silver bullion was in no way due to its use as money;

but when India demonetized silver it fell immediately and greatly in price. It will continue to fall until the present tide against it in this country is reversed—if it shall ever be.

This latter day clamor about the intrinsic, inherent and independent virtue in and value of the gold dollar—which few ever see or handle—is as veritable a craze (where knavery is not at work) as was that of the Crusaders, who went forth to whip the world into Christianity. Why, less than fifty years ago Germany and Austria demonetized gold! Later on, having in the meantime remonetized gold, Germany demonetized silver, in order to render more valuable to herself and more burdensome to France the payment by the latter to the former of $1,000,000,000 as the penalty for defeat in war. Yet France, by reason of her pursuit of a more liberal financial policy—an expanding rather than a contracting circulating medium—advanced and prospered incomparably more during the payment of this thousand million of dollars than Germany did while receiving it. Germany lost during the fifteen years succeeding her demonetization of silver 1,500,000 of her people by emigration to other countries, while the people of France remained at

home, prosperous and happy.

But the goldbug says triumphantly that France is not *now* opening her mints to free coinage of silver.

France, with an area smaller than the State of Texas, has a population nearly equal to two-thirds that of the United States; the entire territory and all her resources highly developed, and nearly two hundred persons to the square mile. The United States has less than twenty-five persons to the square mile, and is yet undeveloped as to the larger part of its territory. France has about fifteen dollars in silver per capita, and yet the monometallists tell us that our present supply of about *half* that amount would be increased at the cost of America's *credit* and *prosperity!* The running of our mints at full capacity for ten years without interruption would not bring our silver circulation to a per capita equal to that of France to-day—say nothing of our growth in the meantime.

Can it be possible that a continuation of the war upon silver, to its complete annihilation, will restore prosperity? In the light of our fruitful harvests for years past, and our absolute exemption from pestilence, famine or war, surely no argument

against silver is furnished by comparing the present unhappy condition of our people with the prosperous state of the country a few years ago, when the war of extermination began. The present demoralization of all prices, trade, development and enterprise, coming hand in hand with the prospect of dearer money, is certainly no argument for the consummation of that prospect into a reality.

Those who contend for the free coinage of silver are charged with responsibility for the present inactivity of money, because, as is alleged, the country is threatened with *cheap* money. Would a sane man hoard money because he feared it was going to become cheap? Would he not rather hasten to convert it into anything and everything at present low prices? The hoarding is with reference to no particular kind of money, but every dollar is held back alike. No; money is hoarded to-day not so much because of the small quantity in existence, but because of the prospect that silver will be totally dishonored by the government, and the consequent purchasing power of a dollar will continue to increase. Happily there is no fear that the government will confiscate any of the silver already coined; hence every dollar is worth a hun-

dred cents of any other dollar. But it is sought to force the redemption of all silver certificates *in gold alone.* When that shall be accomplished the bond mill will be ready to grind.

Why did not the election of Mr. Cleveland in November, '92, reverse the current of disaster and ruin, if it be true that an encouraging prospect for the final overthrow of silver is a token of better times? Certainly it would be difficult to find in this broad land one more unalterably opposed to silver than he. Yet the fact stares us in the face, that since his election the spectre of hard times has traveled with accelerated speed throughout the land. It would seem that stubborn facts should count for more on the one hand, than those arguments on the other, which content themselves with denouncing silver as *stuff*, and those who advocate its coinage as *cranks* and *idiots.*

The entire silver currency of this country is hardly equal to the expenses of the government for one year; it is barely three times the amount paid annually by the government in the form of pensions alone.

The platform on which Mr. Cleveland was elected, and to which he avowed implicit loyalty,

declared for the repeal of the Sherman act, and denounced it as a cowardly makeshift of which its authors should be ashamed. It did not stop there, but with equal force demanded the indiscriminate recognition by the government of both silver and gold as money. It is true that platforms are often contrived to catch votes, but elections are only won by confidence on the part of the people that pledges contained in the platforms will be executed.

Want of confidence is a trite expression that is constantly used to explain the present embarrassment of the people; but is not this alleged want of confidence rather an abiding *faith* that a dollar in the hands of its owner is safer unemployed and uninvested, in the light of constantly declining prices? Is it not, after all, a pure matter of calculation and business, and a result designed from the beginning? It cannot be a want of confidence in the silver dollar, as against a gold or paper dollar. That sort of distrust could only be expressed in an effort to get rid of silver dollars, and in their passing at a discount as a medium of exchange. Anything in which there is a lack of confidence necessarily goes for less on the market than something else of the same kind that is secure against such distrust.

People hadn't confidence in Confederate money; as a result it was constantly on the go, and at a discount commensurate with the distrust.

If people would but apply more common sense to the question of a circulating medium, and less jargon of the Henry Clews type, they would fare much better. We are given the shadow for the substance. All see and admit that a double standard here, with a gold standard in the principal countries of Europe, would create inconvenience and loss in the matter of international banking and commerce, and in foreign travel; but is the gain from this source, whether great or small, to be counted against the prosperity of the American people as a whole? Our foreign commerce is about 5 per cent.; our domestic commerce the remaining 95 per cent. Which should we look to first? In order to cultivate an animal's tail, we must cultivate the *animal*, not the tail.

The genius of our government lies in our defiance of and departure from the governments and customs of the old world, and in the power to sustain ourselves in that independence. Something more than a hundred years ago, with a population less than that of several of our States at the pres-

ent day, we challenged England, whose ways we didn't like, and after vanquishing her, successfully embarked upon a form of government and a political system untried and unknown before. Shall we now reverse our policy, and begin taking our cues from a country that has not even yet repudiated the divine right of kings? We have boasted, from the platform, the stage, and even the pulpit, that we are the greatest nation and have the greatest government on earth. Then let us not belie our boasting. It is conceded on all sides that the problem would be solved if only England would *join* us in bi-metalism. Should we thus cower like gentle lambs at the feet of John Bull?

England will never join America in bi-metalism. America's debt alone to England is more than all the gold coin of the world, and the world's indebtedness to England is about three times the gold coin of the world. This debt, when counted in gold alone, means *twice* as much *property* as when counted in gold and silver—the world's money supply of the two metals being about equal. Can England be depended upon to surrender half her *spoils?* On the other hand, shall we surrender to her financial dictation, and finally yield to a tri-

umph over us which she was powerless to accomplish by the sword?

But the monometalist says that England will not require all this debt of us at one time! That is true; England is wiser than the man in the fable, who killed the goose in order to get all the golden eggs at once.

Our government is founded upon a great instrument called the Constitution; that Constitution provides for the coining of money from gold and silver. Our debts to England, to the world, to each other, are payable under that provision of the Constitution. The effort to pervert it in this regard did not have its origin with the people. And no man in this land has ever been, or could have been, or could ever be elected President on a platform demanding the demonetization of silver.

With silver remonetized, England would not even give us time to ask her what she is going to do about it, but would hasten over here with some of her idle money, in order to take advantage of the rise of prices that would inevitably follow. English gold would come this way, and ours would cease to go that way; for if the Englishman has one characteristic more conspicuous than all the

rest, it is the zest with which he strikes a market on advancing prices, and gets out of a market when prices are falling.

CHAPTER III.

BLESSINGS FLOWING FROM THE UNCONDITIONAL REPEAL OF THE SHERMAN LAW.

DECEMBER, 1893.

A question that millions of the American people are now asking, and asking in vain, is, What and where are the benefits to them so devoutly promised from the unconditional repeal of the purchasing clause of the Sherman act? The word *unconditional* is the significant one in the inquiry; for all were agreed that the law in question was vicious. Those who would strike down the last vestige of legislation recognizing silver as one of the two metals fit to furnish the basis of our currency, and who would thus consummate the war upon that metal, were feverishly anxious to see the law go. The opposite class—those who felt that silver possessed every inherent quality as a precious metal rendering it suitable for coinage into money, and that it had undergone no change since the foundation of our government making it unfit for such use—were equally anxious to destroy a law

which made of that metal a commodity, providing for its purchase in a market artificially created (that is, created by statute) and limited so as to bear down its price and debase it, thus bringing it into disrepute as a money metal.

The history of the world perhaps furnishes no example of greater ability and earnestness than that displayed on both sides of this question by our representatives in Congress, when the same was recently before them for determination. And while there is no disposition to call in question the motives prompting any of those representatives, the fact remains that the majority in Congress represented a minority on the outside; for the issue was between that limited class on the one hand, whose possessions consist in money, or promises (from others) to pay money, and, on the other hand, that overwhelming majority, *whether debtors or not*, whose commodity in the business of life consists not in money, but in something to exchange for money, whether that something be labor, merchandise, professional skill, or property; all those, in other words, whose very financial life depends upon a freely circulating medium of exchange, and who are therefore more concerned in advancing the

price of and demand for their own commodity than in the increased purchasing power of the dollar for which that commodity is offered in exchange.

The trouble with the latter class has been their inability to see that high priced dollars (which they didn't have) simply meant a correspondingly low price for what they did have. They persisted in thinking that both ends of the see-saw could go up at the same time. Hence a great majority of the people now find themselves entrapped with still further legislation in the direction of a contracting currency, or dearer money; which all written history and human experience have shown to be disastrous to the masses, and beneficial only to the few. This is true, regardless of what may justly and truthfully be said in the opposite direction, against an inflated, fictitious currency.

The Honorable Josiah Patterson, who has of late become the great Southern apostle in the crusade against silver, took occasion recently to say in substance (if correctly reported) that he had most earnestly studied the works of all the great authors on finance, and with one accord he found their testimony to be that no greater calamity could befall a land than to supply its people with cheap money!

If much time and labor were expended in searching the books to discover this patent truth, it was a great pity.

The trouble with Mr. Patterson's conclusion did not lie in its incorrectness, but rather in its utter irrelevancy and inapplicability to the situation. We were confronted with the evil of dear money; and to pretend to face that evil by inveighing against an inflated or cheap currency, was about as logical as it would be for a physician to treat a small-pox patient for a case of yellow fever, and then justify his folly by the grave and solemn statement that no greater calamity could overtake the patient (now expiring from small-pox) than a well defined case of yellow fever.

Some fifteen years ago fiat money came near triumphing in this country, but we are to-day reaping the bitter fruits of a triumph in the opposite direction. The people, failing to perceive the cunning fraud concealed in the never-ending cry for "a sound currency and an honest dollar," have encouraged legislation which has placed the greater part of the currency beyond reach, and thus destroyed its real function as a circulating medium. The currency has finally become so "sound," the

dollar so "honest," that it no longer seeks labor, to remunerate it, but leaves it either impoverished begging or starving; it no longer hunts investment and development, but is content, for the time being, to remain inactive, feeding upon its own increasing strength and power.

It is not strange that Wall street, and all others who take their inspiration from that source, should, for more reasons than one, be averse to silver, *per se;* because, first, if the currency of the country were more largely silver money, the banks would be less able to control that currency. Silver is not the character of money that constitutes the larger per cent. of bank deposits—and profits to a bank come from its *deposits*, not its capital stock. Second, silver constitutes an unhandy sort of currency for the large transactions which make banking profitable. Imagine a Wall street transaction, involving a hundred thousand or five hundred thousand dollars (more money than the average man earns in a lifetime), being conducted in silver dollars! In the immediate business of banking, silver is only desirable for purposes of making change. That a greater volume of silver currency would interfere with the profits and power of the great banking in-

stitutions of the country may be true. Their opposition to silver, then, is natural, and an undisputed privilege. But it is equally clear that the people have made a mistake in supposing that their interests on this question were identical with those of the banks, whose voice and lead the majority were content to follow in the recent financial controversy, resulting in the recent financial legislation. This error was facilitated, too, in the fact that the one individual who possessed greatest power in the matter, Mr. Cleveland, has found it impossible ever to contemplate the situation from any other viewpoint than Wall street.

New York City was headquarters for the ruthless war successfully waged for a contracted (now a congested) currency; and why should there not be at this time in that city alone near one hundred millions of idle dollars? Idle money in the hands of a comparative few, is the logical and universal result of contraction, or legislation promising contraction; and the present financial congestion is the legitimate spoils of a battle fought for that purpose.

The idle money of the country will keep, whether gold, silver or paper. In due season it

will reach out for its prey, and further concentrate into the hands of a few the rightful wealth of the many. There is no pressing occasion for that money to move just now, in the face of prices still pursuing their even tenor downwards. Why invest a given sum to-day for what may be bought for less to-morrow?

On the part of those now hoarding money, it is, after all, a pure matter of business calculation, and not *want of confidence*, about which we hear so much. Want of confidence in what? Is human nature less worthy of trust than it once was? Is the idle, suffering labor of the land less willing or less capable than formerly? Have the mines and fields and forests ceased to yield their wonted abundance? No; there was never more confidence than that now felt by the few who hold the purse-strings, and who will eventually reap unrighteous gains from the present straits of the majority, if we are not soon to have a change of financial policy. In the meantime, the ruin already wrought can hardly be repaired. No natural law can avert the evil, which is in the very teeth of the greatest abundance of everything wherewith to be fed, clothed and sheltered.

When a great number of the people are in distress in the midst of plenty, it is human laws that are at fault, and not natural laws. If this be untrue, let the phenomenon be explained by the doctrinaires who are now leading the people and carrying the day, with their fine teaching on *parity*, and *ratio*, and *single standard*.

In view of the immediate adverse results from the recent financial legislation, there can be no ground from which to defend it; and it would seem that there can be no longer room for argument by which to deceive on this question.

We have all heard the old adage that actions speak louder than words; so do results speak louder than theories. We are fast discovering that the secret of idle millions of money now in the metropolitan banks of the country, lies in the unwise and unjust premium put upon money by legislation. And when Henry Clews now recommends to the American people methods by which to get rid of some of our gold, "in order to reduce the unhealthy surplus of money" (in New York City), he insults their intelligence and mocks their distress.

The people have but to read and observe, in order to see that the character of legislation which

promised relief has not brought it. They are rapidly learning—what Senator Sherman substantially admitted in his last argument in the Senate on this question—that free coinage of silver would cheapen the gold dollar and silver dollar alike. They both now occupy the same heights; and no one pretends to fear that the gold dollar will ever become too cheap. To prevent its growing dearer should be the effort of the American people.

Let us do, then, what Senator Sherman did not want done—cheapen both the gold dollar and the silver dollar alike, by putting them on the same plane before the law.

The argument that free coinage of silver will tend to drive our gold to Europe and bring silver back in its stead, has lost its force, since the past year's experience has shown that it is of little consequence whether gold is disposed toward Europe or from Europe this way. Nor can the people, by having China and Mexico held up to them as silver standard governments, be again frightened into the belief that we would somehow be transformed into Chinamen or Mexicans, should we adopt a more liberal policy toward silver money. We are beginning to realize now that China and Mexico are what

they are by reason of their environments, and not on account of the color or any other quality of their money. If dear money is the desideratum, surely that end is attained with silver in China, for a silver dollar there will buy more human labor and sacrifice than a gold dollar can purchase in any other country of the world. It is being seen and realized now, that gold, so serenely called the money of the world, constituting only about $2.50 per capita of the world's inhabitants, can no more stand sponsor for all other needed forms of money, than a bank can stand a run from its depositors when there is but a small per cent. of its deposits on hand with which to pay. It is being fast discovered that the function of government, with reference to its money, is to *coin* it, as far as it is possible, rather than to issue paper or silver promises to pay in *gold*, which it does not possess, and cannot procure in sufficient quantity to redeem its pledges—*except by borrowing from Shylocks on interest bearing bonds.*

The people, from sad experience, are beginning to believe that Mr. Carlisle, the present Secretary of the Treasury, told the truth when he said some years ago, that the demonetization of silver in this country would mean more ruin and wreck than the

destruction by fire of half the combustible property of the land, including the ships at sea; and Mr. Carlisle's present course is not ascribed to increased wisdom or statesmanship on his part, nor to any change in silver money, *but to a remarkable change in himself.*

Mr. Cleveland, during his former administration, took occasion to say, concerning the tariff, that we were confronted with a condition and not a theory. Those ominous words of the President, spoken at a time when the condition was not particularly grave, would have been much more fitly spoken concerning the financial question, in his last message to Congress.

He is now giving himself wholly to theory, and not to the condition. In the meantime, all his theories going to show that this country's welfare is advanced by legislation unfriendly to silver, have utterly failed us.

A theory unsupported by facts or results, is a delusion and a snare.

CHAPTER IV.

THE PEOPLE NOW THINKING FOR THEMSELVES.

MARCH, 1895.

Not until the masses of the American people began to think for themselves, did the "campaign of education" really set in on the tariff question; when it was learned that for a quarter of a century they had been falsely persuaded that the whole people were being enriched by a system which levied a general tax upon consumption for the benefit of particular classes. In like manner, the people are now beginning to think for themselves on the financial question, and have at last grown suspicious of the persistent, systematic, and apparently organized, teaching on this question; which seems only to have furnished theories at the expense of disastrous facts.

Every observing person in this country knows that the hard times through which a majority of the people are now passing, began with the crusade against silver, following the enactment of the

Sherman law in 1890. It is further apparent that the situation has grown steadily worse since the late financial war began; on the one hand, to force upon the government a gold standard as its fixed financial policy, and on the other, to re-establish the free coinage of silver. It is an historical fact, also, that our national legislation, during the period mentioned, has all been adverse to silver, and in the direction of a gold standard. While the purchasing clause of the Sherman act was rightfully repealed, nothing was enacted in its stead providing for the further use of silver. The subsequent effort to coin the seigniorage in the treasury ended in failure. And along with this legislation there was established the precedent of paying out gold alone, instead of gold and silver indiscriminately, in taking up the government's paper promises offered for redemption.

The foregoing are facts of recent history, which will not be denied, however plausible and satisfactory to some may still be the theories upon which are built the arguments against silver and in favor of a gold standard.

Monometallists were assuring the country about two years ago that general prosperity would be at

once restored by the unconditional repeal of the then remaining legislation recognizing silver as a partial basis for our currency. Still trusting the sources whence this fight upon silver emanated, this prescription was taken, and the last act necessary to place our financial system upon a gold basis was accomplished. But, despite the disastrous results from what has been done, the specious arguments against silver, and in defense of the present system, are as cunningly put forward as ever before. We are yet told that it is impossible to have two yard-sticks of different lengths, though the perpetrators of this stale verbal trick fail to state the equally self-evident proposition, that we *can* have two yard-sticks of different materials. We hear no end of the "fifty cent" silver dollar, while we all know that for the purpose of its existence it is worth a gold dollar, and that its procurement costs a greater sacrifice of toil or property than ever before in the history of this country; hundreds of thousands being scarcely able now to sell their labor at *any* price.

While (for manifest reasons under the present system) our gold is constantly going out of the treasury and out of the country, yet the cause of

this is impudently denied, and the argument still made that the very opposite conditions, such as would prevail under free coinage of silver, would drive our gold away. We hear it over and over again, that free coinage would at most only benefit the miners of silver bullion; and unthinking persons accept this as true, forgetting that the same argument would prove that the government should never have had a dollar of circulating medium coined from gold or silver, because, forsooth, nobody was benefitted thereby but those furnishing the bullion! It is an argument made with an air of confidence and sincerity, which, if reduced to practice in the past, would have left us to the primitive barter system—the first thing abandoned by civilization and government; all history teaching that the greater the volume of circulating medium, the greater the enterprise, activity and prosperity, along with a more equable distribution of wealth among all the people.

China and other countries, that have too little silver, and no gold at all, are yet held up as scarecrows, though with just the same propriety and logic could Turkey and Liberia be cited by the advocates of silver as fit examples of gold standard countries.

Even the laboring man is now told that *he*, too, belongs to the *creditor class*—because he does not ask for his pay in advance of the work done for it! This mocking of the idle, hungry labor of the land is like offering him a drug that he may forget his misery, only to have it return upon him magnified, when the narcotic has spent its force. And more, every man who is trying to guard his wife and children against future want, through the medium of an insurance policy, is being reminded of his recent elevation to that charmed circle known as the creditor class. Before these new recruits begin to regale themselves, they should go to the coffers of life insurance companies in this country and count the ill-gotten millions that have been paid into them on policies surrendered during the past five years for she~~re~~er lack of the means to pay the annual premium. After such investigation, the insured in this country would at most only regard their new honors as *empty* ones.

The arguments alluded to, along with many like ones, are put with the skill of a clairvoyant, and repeated along the line. The average man is powerless to meet them in kind, but some things he does know and understand. He knows that in the midst

of plenty he is in distress, or at least that millions of his fellows are. He knows that this distress has come with legislation hostile to silver; and he knows that the relief so devoutly promised him has never come.

Money is not, under civilized governments, what it was in the days of Abraham—a certain *weight* of gold or silver, or other substance. Neither gold nor silver is money except by government authority. Where the two metals do not exist in sufficient quantity to supply the demand for a circulating medium (and they have never so existed in this country) government promises are necessary, in the form of paper money to be redeemed in coin. All will admit that the government should, as far as possible, avoid these promises, whether direct, through treasury notes, or indirect, in the form of legalized bank issues, for which the government stands responsible. It makes no such promise in coining gold or silver; though it is constantly stated falsely that the value of a silver dollar is only maintained by virtue of its redeemability in gold. There has never been a law of this land that pledged the government to redeem silver dollars with gold dollars. The exchangeability of the two

metals as money is conventional, and not legislative. With free coinage of silver, therefore, the government would be under no pledges on account of its currency, except as to the paper promises referred to; and such promises would be supported by both silver and gold.

Individual financiering proves disastrous where obligations are needlessly multiplied, with the means to meet them growing more and more limited. But monometallists have succeeded in forcing just such policy upon our government. The Constitution provides for the *coining* of money from gold and silver, and not for unnecessary government promises, which might prove difficult, if not impossible, to meet.

Gold standard advocates have about succeeded in turning the government into a great banking institution (for designing millionaires to prey upon); yet those who have resisted such government policy are denounced as being opposed to "a sound currency and an honest dollar." These immaculate advocates for "honest money" have forced the present plan of attempting, with a hundred millions of gold, to perform the impossible task of redeeming about a thousand millions of paper and silver

promises. Of course the well-understood and only escape for the treasury, at every *run* upon it under these conditions, is the selling of bonds for gold, with which to replenish this inadequate gold reserve; an absurd spectacle being at the same time presented, in the *treasury's* furnishing gold with which to replenish *itself*—blood extracted from the body, to be taken into the stomach as a strengthener!

It is true, the average man does not, and would not, engage in runs upon the public treasury. On acquiring dollars, of whatever kind, he is content, so long as he knows that each one will buy a dollar's *worth* in support of himself or family; and it is of no consequence to him whether or not such dollars could be exchanged for gold dollars (having no greater purchasing power) at the government treasury. But there *are* those who sagaciously desire the investment of their surplus millions in United States bonds. Such security is not taxable; it is a *mortgage* upon all the property and toil of the land, and is a constantly increasing source of wealth, as the purchasing power of each dollar called for increases. It is not difficult, therefore, to understand why this class would engraft upon our government a system whereby the repeated issu-

ance of United States bonds is made *a necessity* at their will; though it *is* difficult to understand why others, not so interested, could have encouraged such a system.

Our money, as a medium of exchange, whether gold, silver or paper, is the creature of government, in the sense that it must be given legal tender quality by the government. Having assumed, therefore, to provide and control our circulating medium, the government is necessarily under obligation to do nothing tending to disturb its function as such circulating medium. That function is disturbed, however, and wholly or partially destroyed the *moment* legislation is enacted, or promised, which contemplates a contracting currency; for the holders of money, at such times, withdraw it from circulation in order to reap the benefits of the promised contraction—every dollar being thereby augmented in purchasing power. Thus, by contraction, the free circulation of money (upon which all prosperity depends) is arrested, and corresponding paralysis is the result.

Many persons unwittingly join in the demand for dearer money (money being what they are seeking, rather than what they possess) without realiz-

ing that the process of making it dearer (increasing its purchasing power) puts it further beyond their reach, and lessens, or destroys altogether, the demand for what they have to offer for money, whether labor, professional skill or property. If every one could continue to acquire his accustomed income of dollars, under a system that constantly demanded and assured an increase in their purchasing power, certainly nothing would be more advantageous than to systematically increase that purchasing power. But, in the very nature of things, this process results in *cutting off the supply* of money from those who are without it, and whose means of living consists in something else that is offered in exchange for money.

Contraction, or legislation and agitation in that direction, simply encourage an inactive currency, which, to the extent that it exists, is the destruction of money as a circulating medium—rendering it an unjust and ruinous source of wealth to the holder, while remaining in a state of inactivity. Happily the influence of such agitation is waning, and the folly of such legislation is becoming apparent; hence returning prosperity is in sight.

Manifestly there are two limited classes who

are benefitted by such financial policy as has been furnished the country in recent years; first, those whose possessions consist wholly or chiefly in money, or its equivalent in guaranteed securities; second, those who enjoy certain incomes, fixed by law or otherwise. These two classes taken together, while comparatively few in number, constitute a very large part of the wealth and intelligence of the country; and naturally their position and influence, on this vital question, have been on the side of self-interest. And the masses have blindly followed them, mistaking selfishness for political wisdom and patriotism.

Those who have advocated false and deceptive doctrine on this question, now join most lustily in deprecating present conditions, and, as an explanation therefor, are pleased to advance every *theory*—except their own folly or knavery. They defy the simple laws of cause and effect, and say that the trouble results from what others *wanted* done, but not from what was *actually* done by their procurement. They know, or by this time should know, that the inactivity of money, with all its evil consequences, is the logical, certain and continuing result of legislation tending to reduce the

supply, however adequate the existing supply might be. This fact is nothing new. All history teaches it, and it was certainly well known to the originators of the movement to crush out silver money; whatever may be said of many who have followed, aiding and abetting, with nothing to gain and all to lose thereby. And, to-day, this country, by reason of vicious financial legislation, is confronted with a spectacle without a parallel in the history of the world, to-wit, millions of idle money in the hands of a comparative few, general business paralysis, the balance of trade against us and a national treasury powerless to meet its obligations, the enforced bankruptcy of hundreds of thousands who lack neither capacity nor will, and other hundreds of thousands holding their hands in helpless idleness and want. These conditions cannot be ascribed to *natural* causes. Nature has graciously contributed to prosperity—has done her utmost to avert the ruin. Present conditions are the unerring result of causes purely *artificial* and *designed.*

Those of the Henry Clews type still tell us that "lack of confidence" is the trouble; as if this vague, meaningless phrase accounted for some great moral revolution in the laws governing human

motives and actions. How the country will rejoice when this class shall conclude that the wandering prodigal, "Confidence," should return home! It will begin to return whenever the people of the country become fully alive to the secret of their trouble and its source.

Others say *economy* is the remedy, when never before was there so much compulsory economy as has for four years past been practiced by a great majority of the people. Economy (doing without) will enrich *one* man, if those around him are buying and enjoying what this one produces; but the economy of *all*, whether voluntary or involuntary, simply means each one's doing without something which the others have to sell, while the possessions of all shrink or perish on their hands. When every one has satiated himself upon what is his own, he can go no further; and each suffers for want of what the other possesses. We see this every day around us. It is a condition forced by the absence, or inactivity of a circulating medium. Economy, therefore, which is offered as the remedy, is really a result of the trouble.

In like manner *over-production* is said to be the cause of the difficulty, when it, too, is simply a re-

sult. There can only be over-production when a portion of the supply is not wanted. Is it correct to say that there is over-production of cotton, so long as any number of human beings are insufficiently clothed, and are in vain offering their toil in order to secure that clothing? With cotton goods *needed* and labor *idle*, there is no such thing as over-production of cotton.

Again, is it fair to say that there is over-production of wheat, with hungry men, women and children in the very shadow of the elevators asking for work? That is the condition in Chicago to-day. Hundreds of thousands insufficiently fed, and wheat over-produced!

It is a sad commentary upon law and civilization, when any considerable number of capable and willing persons are in distress on account of superabundance of the wherewith to relieve that distress. Man in a state of nature, freed from the environment of government, would never suffer from such difficulty.

The truth of the whole matter is this: Individuals began to hoard money because they were promised legislation tending to make their money dearer. They did with their money just what one

would do with his cotton or wheat or other thing that promised a higher price in future. The hoarding of money produced stagnation and started prices downward. Thus, hoarding became more and more profitable; it has fed and fattened upon itself.

Were the irredeemable silver dollar the cause of the trouble, as the people have been urged to believe, it would have been let go, and would long since have lost its *parity* with the gold dollar. But the silver dollar is as devoutly held by its detractors as the gold dollar. And now the country is impudently reminded that none of the silver heretofore coined has been denied its legal tender quality, that there is as much money in the country as ever before; so why complain? This is like saying the patient should not have died, because his dead body had lost none of its blood. But the body ceases to live when the blood ceases to circulate.

Suppose, for illustration, a separate and independent community, composed, say, of 1,000 persons. Now, under the census of 1890, the average wealth of the people of this country was about $1,000 per capita, and the proportion of property to money about forty to one. According to these

figures the aggregate wealth of the community in question would be $1,000,000; and the total amount of money in circulation would be but $25,000. This sum would represent all the commerce, all the development, and all the prosperity of that community. Suppose further, that one person in the community, richer than the average member, was worth $25,000 or more, and should convert his entire property into money—thus absorbing for the time being all the money in circulation. There would be no actual contraction of the currency in that case, but it is needless to say that withholding from circulation or reinvestment the money thus in hand, would mean suspension of all forms of business and development, and would result in certain bankruptcy to all but this one person. It may be said that in pursuing the course suggested, he would be but exercising an indisputable privilege. Unquestionably so; but any legislation on behalf of that community, tending to encourage such course, would be nothing less than criminal. Yet, under the pretense of maintaining for the people "a sound currency," we have had just such legislation by the American government, with like result. And now, after our mad war upon silver money,

and the stupendous sacrifice that has been made in the name of "honest money," we find English capitalists clamoring for our government bonds at about 3 per cent. interest, and payable thirty years from now—in *silver*, if we choose.

Legislation is unjust that would inflate, or unduly increase, the curreney, and thus disturb credits or lessen the value of investments that are to be returned in fixed sums of money. But a thousand fold more unjust, and infinitely more disastrous, is legislation that seeks or tends to contract the currency and increase the purchasing power of a dollar; which simply means to magnify the shadow, and minimize and destroy the substance. It means a currency always tending to inaction, the constant depression of values, the demoralization of commerce, the suspension of enterprise and development, the multiplying of idleness, and final disaster to an overwhelming majority of the people.

Under our blighting financial policy and system during the past few years, it is not to be wondered at that American investments, constantly falling in price, should have been returned to us from abroad, and gold demanded in their stead. The foreign investor is not singular in wanting his

money out of an investment that has ceased to pay. He is not afraid, however, of our *bonds*, which guarantee a fixed return of our money, whether gold or silver. We have yet to hear of our bonds returning to us.

Gold was not denied an equal showing with silver in this country, when it was being produced more rapidly than ever silver has been produced since; and there was no trouble then about the *market* value of gold bullion, because its coinage was allowed to remain free, and its value was then, as now, determined by law.

Ordinary intelligence, and *all* experience, teach that the market value of a metal that is largely used for purposes of money, is influenced, either favorably or unfavorably, by legislation. While this is strangely denied by some as to gold, it is equally strange that the same persons admit its truth as to silver, and agree that coining silver would increase the price of silver bullion. Indeed, this fact as to silver is not only admitted by monometallists, but it has been most successfully used to prejudice the cause of silver, by the charge that free coinage of silver would enrich the silver miners of the West (increase the value of their bullion) and benefit no

body else, but rather work injury to the people as a whole, equal to the benefit conferred upon producers of silver. We have been taught that the government would, in some way, *pay* out something to the silver miners (by coining silver, giving it legal tender quality, and turning it loose), just as it pays money to pensioners; and it is constantly asserted that bi-metallists would add "silver pensioners" to the list of those receiving government bounty.

So much, then, for the proposition, that free coinage of silver would inceease the price of silver bullion. But its coinage value is 100 cents now, with its bullion value about 50 cents. Will the silver dollar, then, become less valuable, as compared with the gold dollar, on increasing the value of the metal from which the silver dollar is coined? That is to say, if 50 cents worth of silver now makes a good dollar, will 60 cents worth, or 75 cents worth, or 95 cents worth, make a bad dollar?

According to the gold standard advocates, the silver dollar is 50 cents *fiat*, and 50 cents *money*. Instead of condemning it, therefore, why should they not say, "Hurrah for the United States government, and its fiat!" No! they would sooner erect a golden calf at once and bow down before it.

Since, however, the fiat in the silver dollar is the chief ground of attack upon it from monometallists, why is it not their aim to destroy this fiat element, as far as possible, by increasing the value of silver bullion? Their aim is rather to wipe out silver forever, and give gold supreme control; for that would reduce the power over the currency to a *closer corporation.*

After restoring silver, there will be time enough to demonetize it, *whenever* it begins to drive some of our idolized gold away, and develops incapacity to perform the function of money, on a parity with the gold dollar at a fixed ratio. It is maintaining that function now, despite all the legislation and manipulation to the contrary. Will it cease to do so under more friendly legislation?

All compromises with the enemies of silver have proven snares and worse than failures. The course of other leading nations, as to the two metals, can no longer be made our excuse, for they are now (at least their masses are) holding out their hands and asking, after a more protracted experience with monometallism than ours has been, to be restored to bi-metallism. But, unfortunately for the other countries, the masses there have not the same power

that they have here.

It was not because of the real or supposed disparity of silver with gold, at the ratio of 16 to 1, that its extermination was sought in this country; for no other greater ratio has ever been demanded. The simple purpose was to contract the currency to a gold basis, and silver was the necessary object of attack.

In 1834, when the ratio between the two metals of 15 to 1 was deemed inadequate, the demonetization of silver was not resorted to as the remedy. The menacing and sordid influence, known as the money power, which has since grown up in this country, did not then exist, to dictate, and almost to control the financial legislation and operations of our government. The course pursued at the time referred to was to *readjust* the ratio, making it 16 to 1, and that, too, by *decreasing* the gold dollar, and leaving the silver dollar unchanged. Such readjustment as this, whether fair or unfair, was never proposed by the advocates of silver in the struggle of 1893. They have never asked that the gold dollar be reduced. And in the conflict referred to, in order to prevent the complete overthrow of silver, its friends were content, if need be, to increase the sil-

ver dollar; but this, for manifest reasons, was equally obnoxious to the contractionists. Their purpose was not to cure any supposed disparity, but to destroy.

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What precedes in this volume is an effort to point out some of the *financial* evils of a contracting currency. The *moral* evils from such source are greater. But a discussion of that question is waived with the single query, however, while passing: Are crime, vice, immorality and poverty on the wane, or on the increase in this beloved land of ours? and are they likely to diminish under a financial system that means perpetual contraction?

It may not be amiss to repeat here what has often been quoted from the British historian, Sir Archibald Alison, who says: "The downfall of the Roman Empire, so long ascribed, in ignorance, to slavery, heathenism and moral corruption, was in reality brought about by a decline in the silver and gold mines of Spain and Greece." In other words, slavery, heathenism and moral corruption were not the *cause*, but the *result* of a cause that went before. Contraction did there what it is doing, and will continue to do, here: it swept away the prosperous

middle classes, and amassed the wealth into a few hands. It multiplied poverty. And whatever immense wealth may do for those possessing it, we all know and admit that extreme poverty brings vice and crime.

We as a nation are no more secure than Rome once thought herself, and appeared to be; yet we are deliberately doing with our currency what Rome was powerless to prevent as to hers.

That which worked Rome's death (a contracting currency) is now prescribed to us as a remedy. Shall we take the medicine trustingly, or shall we call in another physician?

REPLY TO CRITICS.

Desiring to elaborate certain statements contained in the foregoing chapters, and to meet in advance, as far as possible, criticisms that are apprehended, the method adopted for the purpose is the following questions and answers; the liberty being allowed the supposed interrogator to put his questions in that form usually resorted to by the quibbler to pervert meaning.

Question.—It is stated that a government's money is as good as that government, whatever that money may be made of. Is not that a very hazardous proposition?

Answer.—The government in mind was that of the United States; that one in which the American people are most concerned—thus far the best government, with the greatest people, in the world. If the statement was in any sense an error, therefore, it was in the direction of patriotism and not treason.

What was particularly meant is this: Money of the United States, in the United States, is as

good, and will always be as good, when made of silver as when made of gold.

Q.—You say, "in the United States;" but suppose we were in England, say, with our money; which would be the better, gold or silver?

A.—That meaningless question is often put because of the confusion it creates. Before proceeding to discuss it, however, we should at least bear in mind that very few of our people use the United States for sleeping quarters, while they do business in England during the day. Few, indeed, enjoy even one trip abroad during a lifetime.

We have been taught to view our financial affairs too much from a foreign standpoint. For instance, only a brief while ago Mr. Cleveland, writing to certain parties in Chicago, said the following, among other things, in favor of a gold standard in this country: "If the American people were only concerned in the maintenance of their physical life among themselves, they might return to the old days of barter." That is to say, were it not for our *foreign* relations (involving about 5 per cent. of our commerce) it would be a small matter to take care of the remaining 95 per cent., and the same could be conducted on the bar-

ter system. This remarkable statement of the President is in line with the teaching the people of this country have been receiving during the past few years. They are fast growing weary of it; and are rebelling at present conditions, which tend very much toward "the old days of barter," for lack of an active circulating medium.

But to return to the question: In the first place, our silver dollars and gold dollars would not be *money* in England at all, but would be bullion—for which very reason the enemies of silver, if consistent, should be doing everything possible to advance the price of silver bullion, instead of running it down. In the second place, we would not be in England, or any other civilized foreign country, with American dollars of any kind. We would go with letters of credit, giving us the right to draw money from a bank of the foreign country, which right would be acquired by depositing money in a bank here; and the banks would afterwards settle the matter between themselves.

Q.—Then suppose the settlement between the banks should require the remittance of either gold or silver to the foreign bank?

A.—That would be a matter of no concern to

us, since our silver dollars here would buy the right to just as much *money* in the foreign country as gold dollars would buy. But say it would not, then all those, particularly the bankers, who are so much concerned about foreign countries on this money question, should be equally concerned to increase the value of silver bullion.

As to the value of our silver dollars with foreigners, the recent experience of this country, in the last issue of bonds, ought to be a sufficient lesson. Mr. Cleveland, in a trade with foreigners, made a distinction in favor of gold, to the extent of about sixteen millions of dollars to be finally paid on sixty-two and a half millions of bonds. After Congress had properly refused to recognize this distinction by *law*, the bonds at once sold—second hand—for just as much when payable in silver or gold, as if payable exclusively in gold.

It should be remembered, however, that the men who bought those bonds hoped to see, before their maturity, silver wiped out in this country forever. And it is for the struggle that is now on to determine that question—a question for the future, whether remote or near, which means liberty and prosperity on the one hand, or financial bondage and ruin on the other.

Q.—But would not the free coinage of silver cause the silver of other countries to be "dumped" upon us?

A.—Of all the sophistries that have been used to mislead and deceive on this question, that one is the most consummate, because the most plausible on its face.

Labor, whether in this country or in Europe, is paid in silver, not in gold. Take from England, France or Germany the silver that is daily used there now, and labor could not be paid—their factories and engines would stop. We had an object lesson of this kind here in 1893. At the very time when the papers of New York City were ablaze with their fusillade upon the "cheap silver dollar," the people of that city took fright and withdrew their silver from circulation, causing untold distress to business; and for a while silver dollars were selling at *more than a 100 cents*, in order to meet the imperative demands of commerce. Mr. Chauncey Depew came near having to close up shop with his great railroad, for lack of the silver with which to pay employes—a plight which was doubtless humiliating to the brilliant defamer of the "fifty-cent dollar."

Something amusing in connection with the period referred to, is the fact that bankers and monometallists are wont to refer to it as the "panic;" as if it represented the only period of hard times that they have visited upon this country since 1890. It was certainly trying times for the banks, but the people had been suffering before, and they have continued to suffer since.

Q.—But you are trying to side-track this dumping business. Now, instead of bringing their silver coin, suppose foreign countries should bring over their silver bullion and have it coined?

A.—What would they do with it otherwise than invest it in this country? Remember, this government would not coin silver into foreign dollars. Besides, the foreigner might have to wait quite a while before getting his silver coined even into *our* dollars. The surplus silver—so-called seigniorage —now in the treasury would alone require the full capacity of all our mints for about four years, and the government might very well determine to coin that first.

Q.—But, would foreigners not bring their bullion over and *sell* it for our gold dollars, and thus reduce us to silver monometallism?

A.—If silver bullion should advance in price here, it would advance abroad; and there would be no necessity for bringing it over here to sell—it could be sold at home.

Q.—Would not the cost of transportation, however, make a difference in favor of the price in this country?

A.—Then it would be sold abroad in order to save transportation.

Let it be admitted, however, that foreigners would bring silver bullion to this country and sell it for our gold. We would in turn take our silver bullion to them, and sell it for their gold. (We are doing it now.) And that is a game at which we would beat them dreadfully; for America would produce more silver than all the world besides. We would have vastly more to spare than any other country; and silver is always needed for other purposes than money. We would thus, by free coinage, constantly replenish our supply of silver money, and at the same time add to our gold supply.

In the meantime our wheat and cotton (the two great products of this country on which the foreigner is largely dependent) would advance in price. We raise a large surplus of both, and their

prices are controlled in foreign markets, where a given amount (weight) of silver will buy a given amount of wheat or cotton. The more we increase the price of that silver, therefore, the more we increase the price of the cotton or wheat exchanged for it. As proof of this, we find that cotton and wheat have declined in price just about as silver bullion has declined since 1873, at which time silver bullion was at a premium over gold bullion. The temporary relations, from time to time, between the supply of and demand for the commodities named, have of course prevented anything like uniformity in the decline mentioned. But, to make use of the *variations* to defeat the argument drawn from the general fact, is as unfair and unsound as it would be to select a brief period—embracing an epidemic or an unusually healthful season—by which to determine the normal death rate of a community. Yet gold papers are constantly using just such methods to destroy the argument referred to.

Even Professor J. Lawrence Laughlin, who has recently become the Moses to deliver the monometallists from their enemies, in attacking the wheat and cotton argument, brings forward the startling evidence that corn, oats and pork each re-

mained about uniform in price from 1873 to 1894. He makes four rows of figures; three to represent the commodities named, and one to represent silver, and shows that the prices of these farm products kept up to a substantial level during the years mentioned, while silver bullion was all the time falling. The proof is convincing, but unfortunately for the Professor, he forgot that he was demonstrating precisely what the silver advocate would prove, to-wit, that those farm products (cotton and wheat) whose prices are controlled abroad, have fallen with silver bullion, while those products of the American farm (corn, oats and pork) whose prices are *not* controlled abroad, have not been influenced by the falling price of silver bullion. The Professor illustrates not so much his own weakness, as the weakness of his cause, when the light is turned on. The same authority steps forward from day to day, in the Chicago Times-Herald, panoplied and shielded, Goliath like, to annihilate "Coin," the little David who has recently given so much trouble to the Philistines. But the observer will see that, instead of harming David or his cause, Goliath is constantly piercing himself by an unskillful use of his own weapons. For example, he announces such

truths as the following, which no silver advocate would think of denying: "Money is only the machinery by which goods are exchanged against one another. It is only a means to an end. It bears the same relation to goods that a railway or a bridge does." Then, forgetting himself and his cause, he proceeds, with all the ingenuity of his cultured mind, to advocate and defend a system which *destroys* a part of that machinery; which renders *ineffectual* a portion of the means to the end; which would *burn* a part of that railway or bridge. Mr. Laughlin, in order to demonstrate the necessity for fewer dollars, says: "There is no need for a separate gold dollar (he rather ignores any other sort of dollar) for every bit of goods (property) in the country, each worth a dollar." He should know, however, that there is now less than one such dollar for every *hundred* "bits" of goods; or at least that such was the case under the census of 1890, before goods began their rapid decline under the system which he champions.

The farmers of the West and South, together with the vast business interests dependent upon those farmers, may well whet their swords for a battle to lift wheat from fifty cents a bushel, and

cotton from five cents a pound to the producer of each. Victory is within their grasp, if they will but unite for its achievement. Already Henry Clews, the mouth-piece of Eastern monometallism, is blowing a bugle blast, declaring better times coming; telling the people at the same time, however, to *keep quiet on the silver question*, lest "Confidence" may take fright again, and return to its hole. But the South and West are returning a long, loud blast, which says that the rift in the cloud is the *result* of the people's agitation of the silver question; that there was no break in the cloud until the recent agitation began, and that when this agitation ends in the triumph of the silver cause, we will once more be under a clear sky and upon a smooth sea.

Restoration of normal prices to wheat and cotton, with the renewed life and activity which would follow, would create an immense balance of trade in favor of the United States—and it is the *balance of trade* against a country that bleeds it of its gold or any other form of money that is dearer (as a commodity) in some other country. To preserve our gold, we must preserve the balance of trade. To preserve the balance of trade, we must *not* con-

tract the currency, and thereby *encourage* inactivity. Monometallists insist upon maintaining our gold standard as the only means to avoid losing our gold. Yet during the ten months preceding May 15, 1895, the exports of gold from this country were sixty-four millions of dollars, against imports amounting to thirty-six millions—difference against this country, twenty-eight millions; being nearly three millions a month, or ninety-three thousand dollars a day going out at last accounts.

Q.—So much is said about contraction. Why is this, since the government has not reduced the volume of currency by a single dollar?

A.—Suppose the people of a neighborhood were well supplied with wheat, and had on hand a fair supply of bread from this cereal as well. Then suppose the miller of that neighborhood, on whom the neighbors were dependent, should decree one or the other of two things; either to destroy all the wheat bread on hand, or to grind no more flour from wheat. Which would be worse for that community? It is manifest that the latter would be infinitely worse; for, in that event, the temporary supply of wheat bread would have to suffice for all time to come. On the other hand, merely to destroy the

existing supply of wheat bread would only produce temporary straits until more wheat might be ground. The government has not destroyed any of the existing supply of silver money (by denying it legal tender quality), but it is doing as bad or worse, in declaring against the coining of silver in the future. We hear no promise in behalf of silver from those who secured existing legislation. And we are to-day without any law by which to replenish our future money supply with silver. While the present supply is being worn out and destroyed, we are increasing in population at the rate of more than a million souls a year.

With the silver supply being reduced, population increasing, and gold constantly going out of the country, is it difficult to perceive the quiet, eating process of contraction that has been provided for our once active, prospering and developing country?

Q.—When the term free coinage is used, is it meant that the government should coin silver and not charge seigniorage or mintage?

A.—Let us go back to the miller again. If he should stop grinding wheat, and refuse ever to grind any more, there would be mutiny among the

neighbors. But there would need be no trouble, and certainly no ground for complaint, should the miller resume the grinding of wheat on a charge of toll equal to the labor and expense of running the mill.

Q.—Should the government give 100 cents for 50 cents worth of silver, and thus enrich the silver miners of the West?

A.—A man, insane with jealousy, once destroyed his own eyesight and hearing, that he might not see and hear the triumphal display given in honor of a rival. It is just such insanity as this that makes the point against silver that it would benefit the silver miner

But to return to the question: The government should give neither 100 cents nor *one* cent for silver. Nothing was further from the minds of those who made the Constitution, than that the government treasury should become a warehouse for the buying and storing of silver bullion. The government should *coin* silver as the Constitution provides.

Q.—At what ratio?

A.—In the light of our past experience 16 to 1 would be a fair ratio. As before stated, the silver

bullion in a dollar was worth more than the gold bullion in a dollar when silver was demonetized in 1873.

Q.—But has there not been a great deal more silver than gold produced since that time?

A.—In the United States there has been; but in the entire world, including the United States, only about 8 per cent. more of silver than gold has been produced since 1873, estimated at their coined values.

Q.—Can we have two standards of value?

A.—It is possible.

Q.—How?

A.—By having a gold or silver dollar at a premium; thus giving us one dollar worth more than a hundred cents of the other. Silver advocates do not think that the government, in proper hands, would ever be responsible for such thing as that; nor do they fear that the people at large will bring about such condition of things, in their use of the two metals as money. But under our present laws and financial management, such thing may well be feared from money-mongers who have it in their power to corner not only the gold coin of the country, but the gold bullion as well. Only a short

while ago (May 8, 1895,) the newspapers of the country stated that the Rothschilds and their American allies were paying more for gold bullion, in order to keep it from our mints, than the same gold is worth for coining into dollars.

Q.—Might they not corner the silver too?

A.—If so, then we should increase the difficulty on them. For example, when Russell Sage, some months ago, was making way with five hundred thousand dollars in gold to deposit vaults, in order to remove it from circulation, the difficulty and inconvenience of such a performance would have been greatly increased had the sum been twice that amount, and the other half been in silver dollars.

Q.—What is our unit of value?

A.—There now! If one will consult the coinage laws of the country he will find that the first statute, under the Constitution, providing for coining money from gold and silver, was passed in 1792, wherein it was enacted that a certain quantity of gold should be coined into "*dollars* or *units;*" also that a certain quantity of silver should be coined into "*dollars* or *units.*" The word "units" in each case is convertible with the word "dollars," without reference to the number of *grains*, either of gold

or silver, necessary to make a dollar. The *unit* is the *dollar*. But, if it is the number of grains in the dollar that should constitute the unit, then $371\frac{1}{4}$ grains of pure silver should be that unit; for it took that to make a dollar in 1792, and it has never been changed, whether silver bullion was above or below par. All the subsequent confusion as to the unit of value has crept into this subject by abuse of the first simple language employed.

Q.—Did not the Act of 1873, however, provide that the gold dollar, "at the standard weight of $25\frac{8}{10}$ grains, shall be the *unit* of value?"

A.—It did, indeed, and did more: It demonetized the silver dollar. Members of Congress who voted for the law were as ignorant of the one provision as of the other. And it took the two to make the foundation for all the financial trouble that has followed.

Q.—In answer to the first question, is it intimated that advocacy of the gold standard in this country is treason?

A.—There are millions of patriots in this country who are on that side from conviction. There are some who take that side for craven or selfish reasons, regardless of convictions. There is still

another class, who, in order to accomplish their diabolical purposes, have not scrupled, and will not scruple, to embarrass the government and distress the people. *The latter class are traitors.*

Q.—If, as so many earnestly insist, the silver side of this question is right, and for the best interest of this country as a whole, how does it happen that monometallists call themselves "sound money" men, and "honest money" men, and designate their newspapers and clubs and conventions accordingly?

A.—There can be but one explanation for that. It is simply monumental arrogance and impudence, equal to anything in that line of which His Satanic Majesty was ever guilty. Such terms might be expected from the hirelings who do their miserable bidding for so much a week; but they disgrace those who, dealing with the question as patriotic American citizens, assume that dishonesty of mind and purpose controls those who differ with them, whether right or wrong.

Q.—During the quarter of a century preceding 1873, gold to the extent of about seven hundred millions of dollars was produced and coined in this country, and only a small amount of silver was produced during the same time; and this was a period

of great prosperity. Was it not due to the *small* quantity of silver?

A.—That is the peculiar argument of the mono-metallist; but the bi-metallist rather thinks this prosperity was due to the large supply of *money* added to our currency.

Q.—But was not gold then considered the better money throughout the world?

A.—No; at the beginning of that very period gold became "stuff" with the lofty people of Germany and Austria, and was demonetized by those two governments. England might have done the same thing, had not selfishness previously struck out there in the opposite direction, and secured the demonetization of silver. Indeed it was more pardonable for Germany and Austria to demonetize gold than for England to demonetize silver; for if the world had to do without either as money, it could infinitely better spare gold than silver. Gold is the better money for large transactions. But, for that limitless, ceaseless commerce which gives employment and life to the great working masses, guaranteeing general prosperity and distributed wealth, silver is incomparably the better money.

Q.—Is not the fact that silver is an unwieldy sort of metal, the secret of the people's prejudice against it?

A.—The secret mentioned is like many other slanders; it has no existence in fact. The masses are not prejudiced against silver, and they joyously handle it when opportunity presents, while gold is seldom seen or handled at all. The banks and the rich are prejudiced against silver. It is a little bulky for their business. They express *their* prejudice for that of the people at large, and others sometimes ape them.

Q.—Are there not millions of silver dollars now in the national treasury which the people will not use?

A.—By no means. That is money the people *cannot* use. Silver certificates are out against it. The government cannot pay it out twice; if so, it might keep up with current expenses, which it has been unable to do under our gold standard system. The silver in the treasury is simply accounted for by the fact that it represents silver certificates, issued under laws providing for the purchase of silver bullion, instead of coining it. Those who go to the treasury to exchange paper money for coin,

do not want gold any more than they want silver, except for the purpose of looting the government of bonds, by running down the gold reserve. The masses, who have no such evil designs, are content with whatever money falls into their hands, without going to the treasury to exchange it for some other form of money.

Q.—If we should make money out of silver, why not make it of pig iron, and give it legal tender quality?

A.—That taunting suggestion, so often made by mono-metallists, besides being peurile, is a bastard offspring—born of a spirit of insubordination to law. There is no authority for making money of pig iron. And the man who suggests it, as a means of ridiculing any money recognized by the constitution, would not hesitate to trample that constitution under his feet.

Q.—Why is it stated that bankers are not safe leaders of thought on the financial question?

A.—There is nothing new in that idea. It is as old as civilization.

Bankers are money changers, non-producers—the absorbers of wealth, not the creators of it—manipulators of dollars; hence can only see pros-

perity (to themselves) in increasing the purchasing power of each dollar. Not being the producers of anything, they naturally want each dollar to purchase the greatest amount possible of what is produced by others. In the meantime, the producers on the outside are equally interested in pushing their products—whether of brain or muscle—and in trying to keep the dollar from rising. There is a natural rivalry, therefore, between the bankers and the producing classes. The banker earns his profits largely from money put into his hands by others, who usually receive no interest for the use of that money. If interest is paid by the banker, more interest is charged. His earnings are in dollars, not in property. The more property these dollars will absorb, therefore, the greater his gains.

The banker's prejudice against silver, in favor of gold or paper, is easily accounted for. A given sum of money can be counted in $20 gold pieces just twenty times as fast as it can possibly be counted in silver. Silver is a cumbersome sort of money with which to settle balances between banks, even in the same city or community. Wealthy depositors (on whom the banker most depends) want gold or paper on their checks, and not silver. They

would soon remove their deposits from a bank that would offer them large sums in silver. Gold usually finds its way to the banks, and is little handled by the people at large, while silver is in constant use, and in the hands of the people. Added to all this is the fact that national banks derive their life and existence from *United States bonds.*

For the foregoing reasons, it is manifestly natural that the banker should see profit to himself in contraction on the one hand, and in the extermination of silver on the other.

Bankers, as a class, are the equal of any other profession or calling in sagacity, and if the prosperity of an entire people could be identical in every particular with the prosperity of the banker, it would be entirely safe to follow him. That there is, however, one interest in common between bankers and the producing classes on the outside, there can be no question; and this the banker persists in not seeing, to-wit: When enterprise and development, through contraction, have been strained to the point of creating an inactive currency, the banker ceases to earn profits from the money of others in his hands. It then lies idle in his vaults, while those on the outside are suffering for what it

will buy. From this evil the bankers have suffered with the rest of the people during the past five years.

Q.—Would not the free coinage of silver create inflation of prices, and cause abnormal development?

A.—That is a question which should be fought out by monometallists themselves. Some teach that doctrine. Others teach the opposite, to-wit, that it would drive our gold away and produce contraction. There is still another unique class (among them Professor Laughlin) who teach both doctrines. The last named are on safe ground; just as the man was who shot at something in the bushes which he didn't see, so as to hit if it was a deer, and miss if it was a calf.

Q.—It is stated that the silver dollar stands on its own merits. Now, if it is not true that it is backed by the gold dollar, how is it that one in Mexico can buy a dinner, pay for it with a United States silver dollar, and receive back in change a Mexican coin containing more silver than the United States dollar?

A.—That is a familiar illustration, and always used—strange to say—by the monometallist, while

it proves more for the advocate of silver. If we had any law providing for the redemption of a silver dollar with a gold dollar, the illustration might be serviceable to monometallism; but having no such law, let us see where the illustration ends. In the first place, Mexico is a foreign country only in a political sense, not in a geographical sense. Hence there is more or less traffic between the two countries where the money of one or the other government is immediately used. Now, the monometallist plants himself upon the rock, that a dollar is only valuable for what is in it (intrinsic worth), unless redeemable in some other sort of dollar. Unquestionably wheat is also valuable for its intrinsic worth. So we have: The more metal the more intrinsic worth; and the more wheat the more intrinsic worth. Suppose, then, the citizen of the United States should use wheat instead of silver in paying for his Mexican dinner. Would he, on paying for that dinner with a sack of wheat containing one bushel, get back *in change* a sack containing more than a bushel of wheat?

The United States dollar is a better dollar than the Mexican dollar, because the United States government is a better government, and its people a

superior people. An Englishman will give more for a United States dollar than for a Mexican dollar when promised in a bond, and we have seen that he makes no distinction between our silver dollars and gold dollars. Our silver dollar is valuable because the *government* is behind it, not because a gold dollar is behind it. The government is behind both alike, by making each a legal tender for the payment of debts, public and private. So long as a silver dollar will *pay* as much as a gold dollar, just so long will it *buy* as much as a gold dollar. It is the government that determines what the silver dollar will pay, hence it is the government that keeps up the silver dollar. It is keeping it up in spite of the low price of silver bullion.

But nothing seems to distress the average monometallist so sorely as the fact that our government has anything to do with or power over our finances. It appears to be his preference to have our financial affairs controlled by individuals; and the fewer the better.

Q.—Isn't gold behind the silver *certificate*?

A.—Just as silver is. Both are behind it under the law, which makes it redeemable in coin—gold or silver—at the will of the government, and not at the

will of the holder. Mr. Carlisle, however, reversing this order, put gold alone behind silver certificates and all other forms of paper money; and his performance has thus far cost the American people more than one hundred and fifty millions of needless bonds—the principal and interest of which debt is about 20 per cent. of the entire circulating medium of this country. His policy is to increase our *credit* by reducing our *cash*. And as one means of justifying his course he has taken up the argument (most remarkable, considering the source) that checks, drafts and bills of exchange have greatly reduced the necessity for a circulating medium. Those who respect Mr. Carlisle's intellect (and no one questions that) must find it difficult to believe that he sincerely makes this argument. When Smith gives his check for $100 to Brown for a horse, and Brown endorses the check to Jones, and Jones endorses to Johnson, &c., the check in every instance is doing no more nor less than $100 would do; and the $100 had to exist before the check could be given. Checks and drafts undoubtedly facilitate *commerce*, but they constitute no part of the currency, and cannot take the place of a dollar of our circulating medium. The trouble

with our present financial policy is that it tends to exact *two* of Brown's horses for Smith's $100 check, when one horse might have secured it under conditions more favorable to trade and commerce. Mr. Carlisle, in his public addresses, pictures the direful consequences of silver legislation; reminding the people that it would contract the currency, causing paralysis to commerce and pressure upon the debtor by the creditor. This sort of reasoning might be availing were it not for the fact that similar conditions, though worse than his imagination pictures, have prevailed under the system which he now defends.

When a gifted man becomes eccentric in his administration of a public office, his eccentricity greatly distances that of an ordinary mortal. Of this truth Lord Bacon was an illustrious example.

Q.—Can we attempt a financial system of our own, *independent* of all other nations?

A.—An essential feature of every organized government is its financial system; and to acknowledge dependence in that particular is a confession of dependence in every particular. We secured our political independence of England when the entire population of this country was about

equal to that of New York City and Brooklyn today. Yet, with our seventy millions of people and our limitless resources, it is seriously doubted whether we can now maintain a financial system that is not dictated by the Rothschilds and their American coadjutors. *There can be no such thing as an international monetary system until each country, bg legislation, makes the money of other countries legal tender among its own people.* Life, even of a nation, is rather too short to wait for such thing as that.

Q.—Does the coining of a given amount of silver and calling it a dollar make it a dollar?

A.—By no means. Such suggestions only come from those who fail to comprehend that money gets its function from the *legal tender* quality imparted to it by law. To be worth 100 cents the silver dollar must be made good for the payment of public and private debts to the extent of 100 cents. When that is done, it is worth as much as the gold dollar, which can do no more than pay 100 cents. The trade dollar is stamped 100 cents, and has more silver in it than the legal tender silver dollar, but is only so much silver bullion, worth its market price; because the government, after creating it,

deprived it of legal tender quality. Thus emasculated, it is not money at all.

Q.—If this financial question is largely an issue between this country and England, how is it that the section of the United States known as the East is so strong for monometallism?

A.—The relations of the South and West to the East on this question are in many respects similar to those of the entire country to England. The East largely controls the currency of this country; and the South and West are largely indebted to that section. The East consumes Western wheat, and manufactures Southern cotton, hence is interested in keeping the price of each down. The monied interests of the East, therefore, incline naturally to a financial system that is best calculated to absorb the wealth of the other sections of the country. In the meantime the masses in the East are not benefitted. A contracting currency affects the masses unfavorably *everywhere*.

Q.—Would Mexico and China be where they are, but for the fact that they are exclusively silver countries?

A.—Those two countries have been used most successfully to create prejudice against silver in

this country. It has never been proposed to use silver exclusively in the United States, hence the parallel fails in the outset.

The miserable condition of the Chinese, so far as their money affects them, is more due to their *lack* of silver than to their use of it. With their small supply of money (about $2 per capita) their commerce is better conducted with silver than it could possibly be with gold, and a substitution of gold for silver would lower their condition. Turkey is a gold standard country, with a per capita supply about equal to that of China. Why do not our monometallists cite that country as a shining example of civilization and advancement? It is little more than a barbaric race—far behind China and Mexico in everything going to make a thrifty, enterprising people.

The Mexicans are a race gangrened with vice and thriftlessness. Their silver product is their chief source of life, and sustains them against a much lower condition. Had they more enterprise their returns, in the form of home products, would be many times greater than those realized from silver, exchanged for the products of other countries. They prefer idleness, while living in huts

and, as far as possible, upon native fruits. They trade their silver, coined and uncoined, to other countries, instead of utilizing it as a circulating medium at home. In the meantime a gold standard would do for Mexico what it would do for China—put it in a still worse condition and more at the mercy of other countries. Mexico and China, with their wretched governments and still more wretched people, are held up as scare-crows only by those who would persuade the American people that they are not a superior race to Chinamen and Mexicans. Those who innocently resort to such tactics do so through ignorance of the fact that silver has never done any possible harm to Mexico or China.

History wholly fails to teach that the use of either gold or silver as money ever made a nation great or kept it from becoming so. But history does teach that the more limited the supply of money (whether from necessity or choice) the more dwarfed the nation, and the wider the gulf between the rich few and the poverty-ridden masses. This is true, whether the money in use be silver or gold, as illustrated by the three countries, Mexico, Turkey and China. France, on the other hand, is an

example in the opposite direction. With a greater volume of money than any other country in the world ($36 per capita), wealth is more evenly distributed there than in any other country; and her people are more thrifty and better contented than any other people on earth.

Mr. Carlisle says that England was five hundred years discovering that bi-metallism was a failure. It is remarkable that it took so long to discover the fact, with a daily test of the proof. It is still more remarkable that the United States and Germany were more than half a century finding out what England had discovered, and have never yet been content with the proof. But a still more remarkable fact was the *sudden* dawning of this English discovery upon Mr. Carlisle, after twenty years of illustrious public service devoted to denying that such discovery had ever been made.

The great nations that have sought to reduce their money supply by demonetization, are great in *spite* of the fact, and not by reason of it. England does not date her greatness from 1816, nor do the United States and Germany date their greatness from 1873. The periods mentioned represent those stages in a country's development when the power

of accumulated wealth becomes a menace to government, which it uses to rob the masses. George Washington, Thomas Jefferson, Benjamin Franklin and John Hancock were among the wealthiest men of their day in this country. They were also among our foremost statesmen and patriots. But advancement of a nation destroys this *parity* between great wealth and patriotism. Few of the multi-millionaires of the present day have even political convictions. Politics with them is like everything else—it is *business*.

Demonetization is not the normal, but the *fungous* growth, which attends civilization and adadvancement. It was reached here sooner than in Europe, because development and wealth grew faster here. Demonetization never originates with the people at large, nor with the government itself, but with the few who become powerful enough to dictate to government. This fact is now being illustrated every day, in the strenuous efforts to show that *at least* members of Congress knew what was done in 1873; though it is admitted on all sides that the most of them did not know what was being done. Indeed they have about all admitted it themselves. And it is well known that the people

had demanded nothing of the kind, and were equally ignorant with the head of the government of what was occurring in the way of legislation. It was a mischievous child whose parentage will always be enveloped in mystery.

Those countries, including our own, which, under some overwhelming influence, have stricken silver, have been compelled at the same time to recognize its necessity by its continued use. The money scientist heretofore alluded to, Professor Laughlin, in order to demonstrate that silver has not been so badly treated after all, triumphantly shows that the world uses more of it today than it did twenty years ago. This increased supply has been mainly secured in America, through the Acts of 1878 and 1890. But why does Professor Laughlin, and all like him, not admit that the source of our silver supply was cut off in 1893; and that we must eventually, under the present system, become a race of miserable serfs to the holders of our bonds (whether public or private) payable at last only in *gold.* Why do they not cite us to some law whereby we may go on forever using silver? Why does Mr. Carlisle tell us that "silver is not now demonetized in this country, as it is in England, Germany

and other countries, but is in constant use among the people as full legal tender money?" Does he mean to felicitate the American people upon the fact that the government has not *confiscated* the silver already coined and allowed to the people as money! And does he mean to say that closing the mints of this country to silver is *not* demonetization? That is what the people understand by demonetization of silver. That was done in 1873, and after a struggle of twenty years to restore it (with partial success) was again done in 1893. Since the latter deed was accomplished, have the American people heard one word from the powers that be, intimating that silver—so far as the matter concerned them—was not doomed in this country forever? The unsophisticated American citizen, so much perplexed and so much bewildered on this question, finds it impossible to understand the theory upon which the two acts of demonetization were passed. But the wiser ones are beset with the same difficulty. For twenty-five years preceding the first act we produced unprecedented quantities of gold; and silver was demonetized. During the twenty years following we produced unprecedented quantities of silver; and silver was again demone-

tized. The conditions as to the two metals having been reversed, why this second blow at silver? Had England no hand in all this?

England knows that with free coinage of silver in this country, nothing could stay our progress to a destiny that would distance her and the whole earth besides. She knows that with the balance of trade against us, four years would suffice to absorb all our present supply of gold in the payment of interest alone to that country. She knows that with a gold standard, and no additions to our currency from silver, we cannot preserve the balance of trade, and that we would thus become her hewers of wood and drawers of water forever.

The greatest annual gold product of the entire world was $155,000,000 in 1853. The average annual product since that year has not been far above $100,000,000; and five of the years since 1853 it fell below $100,000,000. This decline is taking place while the world's population is increasing, and gold is being more and more used in the arts and sciences. The gold money of the world to-day is about $2.50 to every individual. On reducing all the countries of the earth to a gold standard (which England seems to be rapidly accomplishing) our

share, on an equal divide, would be less than two hundred millions—less than the estimated annual interest debt of this country to England, say nothing of the principal. It is true, as before stated, England would not (could not) have us pay all our indebtedness at once, but would prefer to bleed us slowly, that the draught of blood might be the more fattening.

But should England be thus talked about? No; England's masses are as philanthropic as are the masses in this country. It is, after all, the same Shylock of whom Shakespeare wrote, who is afflicting England alike with America.

We may, if we will, escape the yoke before it is fastened upon our necks forever. In doing it, however, we must avoid the mesmeric influence of better times in the near future. They can, and will, be forced by the same influences that forced the needless hard times. Through this means every effort is now being used, and will continue to be used, to lull a long-suffering people into acquiescence. It is a question not alone for the present generation, but for our children and posterity forever. It is a question, however, that will be settled

in the present conflict, whether it shall last long or be ended soon.

To achieve victory we must turn from those who have deceived us with their pratings about *ratio*, *parity*, *yard-sticks and units.* These terms have their legitimate meaning as applied to money, but they have been used to ensnare. Those using them are so many Neros fiddling while Rome burns; and it was Nero himself who set fire to Rome.

Germany and other nations are looking on hopefully at the present conflict in proud America. To us is left the honor of leading in the assault upon demonetization—that juggernaut of the nineteenth century; that form of repudiation most infamous; that whited sepulcher, posing as a saint, and exacting two drops of sweat, two pounds of flesh, where one was promised.

When America shall have felled this monster, other nations will rush to secure its death and eternal burial. The palm will then be ours, and the dawn of the twentieth century will disclose our beloved country at the head of the column, *leading the nations of the earth* to a still higher destiny. It is America's birthright to lead, not to follow.